



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

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To All Real Estate and Related Professionals in the Libby, Montana Area:

This letter is intended to clarify the status of hazardous waste cleanup issues in Libby, Montana in order to help real estate professionals, appraisers, inspectors, and lenders make decisions regarding potential contamination on properties that are being bought or sold.

Libby, Montana, like many other towns and geographic areas across the United States has been identified as having contamination in certain areas that presents a health risk. In Libby, the contaminant is amphibole asbestos that was released in three ways: through years of vermiculite mining and processing; through the placement of vermiculite ore and mining wastes in discrete locations around town; and in the commercial product, "Zonolite," which has been widely used in Libby and distributed across the United States for use as home insulation.

Cleanup started on the source areas of contamination in May 2000. Source areas are those where the vermiculite was processed and used in large quantities. The cleanup of these areas will be completed this summer. EPA also began cleanup on areas where vermiculite ores or mining wastes were placed such as the school tracks. As EPA identifies additional locations where contaminated ore has been placed they will continue with the cleanups. In addition, this summer EPA will begin a systematic removal of the Zonolite products from homes and businesses in Libby.

EPA proposed the Libby site for the National Priorities List (NPL) on February 26, 2002. The 60-day public comment period on that proposal ended on April 29, 2002. EPA will make the decision whether or not to list Libby Asbestos as "final" on the NPL as early as September, 2002. Proposing the site for the NPL was done as a response to the need for cleanup of the contamination, i.e., increased Superfund money will be available for cleanup. Through the Superfund program, the contamination will be cleaned up so that the threat to public health from amphibole asbestos is eliminated. NPL listing clarifies the status of a site and will provide finality when the cleanup is complete. It gives lenders clear notice of the cleanup's completion by deleting the site from the Superfund list. EPA does not want to discount concerns that you might have regarding Superfund, but in general, listing the site should assure a responsive and effective cleanup.

EPA has not observed a strong correlation between NPL listing and property values. In our experience, the presence of contamination on a property, whether listed on the NPL or not, may affect the value of the property. Superfund listing expedites the cleanup process. Once the cleanup is completed, EPA has found that property values generally improve. As you know, many factors are important in determining property values. At some sites, property continues to sell



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and be developed. At others, property values take a temporary dip until the cleanup is completed.

EPA plans to sample soil and check for vermiculite insulation at every property in Libby by November 2002. The sampling will proceed neighborhood by neighborhood until all properties have been sampled. A team of samplers dedicated to special circumstances such as property transactions will be at work in Libby in an effort to expedite these transactions. EPA will be able to provide property owners with results of the initial screening. If requested, EPA will discuss the results with realtors, appraisers, buyers, sellers, owners and tenants. Once final test results indicate that no evidence of Libby asbestos contamination was found on the property, EPA will provide a letter stating that no contamination was detected. Because of the complexity, this analysis may take several months. If property owners do not allow EPA access to their property for sampling, we will be unable to provide any information or assurance to the property owners or others regarding potential contamination.

EPA will clean up properties which have been identified as having contamination. EPA will prioritize some cleanups according to the degree of contamination. Cleanup is expected to be completed both inside and outside of any homes found to have contamination in 3-4 years. When EPA determines that either no cleanup action is necessary or that all cleanups have been successfully completed during a calendar year, EPA will propose that all completed areas be removed from the NPL. Such an assessment will be done after EPA completes a risk assessment and after any necessary cleanup has been completed. Individual property owners will receive a letter stating that cleanup of their specific property is complete.

EPA understands that personal liability may be an area of concern. This is especially important for prospective buyers, as well as for lending institutions that will be responsible for the mortgage. EPA has provided a written assurance to Libby residents that they will not be held responsible for cleanup costs. EPA will remove contamination and contaminated personal items from the home and replace them. Landscaping, grading, or reconstruction will also be performed by EPA to restore the property to its condition prior to cleanup. Vermiculite insulation in an attic will be removed, even if it is under another type of insulation. Home insulation and structural components which EPA has removed or damaged in the course of cleanup will all be replaced by EPA. Prior to cleaning up a specific property, EPA and the property owner will discuss and sign an agreement documenting the cleanup and restoration actions to be performed.

I hope this clarifies the status of the Superfund designation, EPA's plans in Libby and the effect of EPA's actions on homeowners. Please call the Project Manager, Jim Christiansen at 303-312-6748 or Wendy Thomi, a Community Involvement Coordinator, at 406-457-5037 if you have further questions or concerns or would like to be added to EPA's mailing list for Libby.

Sincerely,

A handwritten signature in black ink, appearing to read "Max Dodson", with a long horizontal flourish extending to the right.

Max Dodson  
Assistant Regional Administrator  
Office of Ecosystems Protection and Remediation